


78-521

2 March 1978

MEMORANDUM FOR: Director of Personnel

STATINTL

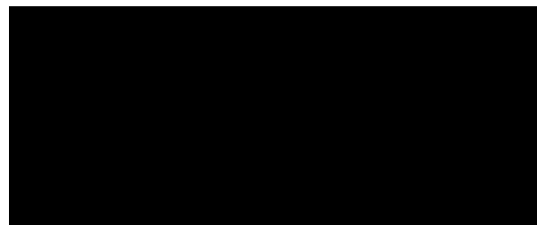
FROM : 
Deputy Director of Personnel for Plans
and Control

SUBJECT : Overview of the Personnel Management Project
of the President's Reorganization Project

1. Attached is an Overview of the Final Staff Report of the Personnel Management Project which incorporates the reforms that President Carter is proposing for the Federal personnel management system.

2. We are continuing to analyze the recommendations contained in the STATINTL Project's proposal in terms of impact on CIA should the Agency not be exempted from their application.

Att.



OVERVIEW OF THE FINAL STAFF REPORT OF THE
PERSONNEL MANAGEMENT PROJECT OF THE
PRESIDENT'S REORGANIZATION PROJECT

1. Background

a. The final staff report of the Personnel Management Project of the President's Reorganization Project was completed in December 1977 and distributed to Federal agencies in January 1978. It compiles the reforms in Federal civilian personnel management and in Federal programs affecting personnel management in state and local governments that were proposed by the staff as a result of a comprehensive study begun in July 1977. There are a total of one hundred and twenty-five (125) recommendations,* which will require a combination of new legislation, and new executive orders as well as changes in present rules, regulations, policies, and procedures to put them into effect. The recommendations are a complex and interrelated unit.

b. Approximately seventy (70) of the recommendations which require legislation were included in the proposed "Civil Service Reform Act of 1978", sent to Federal agencies for comment during the week of 13 February 1978. CIA's official response to the proposed Bill was forwarded to the Office of Management and Budget (OMB) on 17 February 1978. The Agency's position was to request an exemption from the Bill on the basis of conflicts with present CIA statutory authorities, requirements for disclosure and the compromise of the DCI's ability to fulfill his statutory responsibilities to protect sources and methods.

*See attachment

The remaining fifty-plus recommendations are expected to be implemented by Executive Orders and other Directives and regulations following Congressional action on the proposed legislation.

2. Overview

a. The primary thrust of the President's Reorganization Project on Federal Personnel Management is directed at the policies, concepts, processes and procedures that apply to personnel management in the "competitive career service" and are applicable in Federal agencies under the jurisdiction of the U.S. Civil Service system. Several of the recommendations included in the report, however, are directed at bringing the excepted agencies under the purview of the proposed Office of Personnel Management which would make them subject to oversight and subject to many of the rules, regulations and reportorial requirements levied by the Office of Personnel Management.

b. In addition to the recommendations for reform, the Final Report of the Project includes extensive condemnations of the red-tape, rigidity, conflicts and essential unresponsiveness of the current Civil Service personnel system and generally categorizes the state of the system at-large to be out dated and ineffective. CIA, as an "excepted" agency, has not been subject to the Civil Service Commissions's jurisdiction and has been free to develop an independent personnel management system that has provided our Directors with the authorities and flexibility to maintain sound merit principles without the constraints of rigid procedural barriers but which provide responsive systems to the needs of the Agency. As a consequence, the shortfalls of the Civil

Service system's personnel management concepts, policies and applications which are sharply criticized in the Project Report, have not impacted on CIA while they have severely burdened other Federal agencies.

c. It is interesting and worth noting that many of the major themes and proposed reforms highlighted in the Project Report as bold innovations represent concepts, delegations of authority and methodology that CIA has long incorporated in the Agency's approaches to personnel management. Among these are the Project's proposals for:

(1) Decentralization of personnel management authorities and operations to levels as near as possible to program operations in the agencies of the Government to help improve management.

(2) Permitting agency managers to select anyone (veteran or non-veteran) in the highest category of available candidates.

(3) Delegation to heads of agencies authority to institute certain personnel actions without prior approval by the Office of Personnel Management (now the Civil Service Commission). Possible delegation would include authority to:

- ° pay advanced salary rates on initial hires;
- ° pay travel and transportation expenses to an employee's first duty post;
- ° extend temporary appointments and assignments;
- ° qualification waivers;
- ° expert and consultant contracts;
- ° training agreements; and
- ° term appointments.

(4) Require agencies to take corrective action against employees whose work performance is consistently marginal or unacceptable.

(5) Delegate authority to agency heads to determine whether an individual meets the specific qualification requirements for a particular Executive Service position.

(6) Shift from the current rank-in-position to a rank-in-person personnel system (limited in the proposal to only supergrade level officers).

3. Conclusions

While, as previously noted, the primary target of criticism and proposals for reform of the Reorganization Project is the Civil Service personnel system, there is a clear intent to extend applicability, control and oversight to include excepted agencies such as CIA.

The future status of CIA's "excepted" role, will according to the recommendations, be determined by the newly established "Office of Personnel Management (OPM)", the policy-level body to be reconstituted from the present Civil Service Commission. Criteria ^{have} has been established to evaluate the need to continue to exempt certain agencies from the Civil Service system. These agencies will be required to provide new justification for continuing their "excepted" status. The study states that for many of the agencies outside the competitive career service, the circumstances that caused them to be "excepted" in the first place have greatly changed and it questions whether there is any logic behind the continuation of the exemptions.

done!

The primary concern of the Agency at this time should be an intensive effort to retain its present excepted status through statutory exemption from the proposed legislation and exclusion from those recommendations contained in the Personnel Management Project Report that can be implemented by Executive Order or memorandum.

Implementation of Personnel Management Project Recommendations

<u>Recommendation No.</u>	<u>Subject</u>	<u>Action</u>
1	Examining Process	Legislation
2	Change Selection from Top 3	Legislation
3	Allow more Agency involvement in recruiting and rating activities	OPM Instructions
4	Allow Agencies to make limited number of appointments outside regular competitive processes	Executive Order
5	Changes in laws on Veterans' preference in Federal hiring	Legislation
6	Extend Vietnam Era Veterans' Readjustment Act to 1980	Legislation
7	Authorize excepted appointments for qualified veterans with 30% disability	Executive Order
8	Delegate to Agency heads authority to take personnel actions	Executive Order and/or legislation
9	Consolidate the authorities for temporary appointments	OPM Regulations

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<u>Recommendation No.</u>	<u>Subject</u>	<u>Action</u>
10	Develop one brief, fundamental set of requirements for all promotion systems	OPM Regulations
11	Establish criteria to evaluate the need to continue to exempt certain agencies from the Career Service	OPM Directive
12	Require alternative services to provide new justification for continuing their excepted status	OPM Directive
13	Bring into the career service all alternative services which cannot justify continued excepted status	Legislation
14	Provide opportunity for individuals to move among alternative personnel systems and the basic career service	OPM Directive
15	Combine Schedule A and B positions into one excepted category	Executive Order
16	Repeal the appropriation act rider that forbids the CSC to examine for attorney positions	Legislation
17	Move most attorney positions into the Career Service	OPM Directive

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<u>Recommendation No.</u>	<u>Subject</u>	<u>Action</u>
18	Provide avenues of appeal for individual complaints	Legislation and OPM regulations
19	Transfer all appealable matters currently within the jurisdiction of the CSC to the Merit Protection Board	Legislation
20	Improve employee appeals procedure	Legislation
21	Abolish reduction-in-rank as a concept in Federal personnel management	Legislation
22	Simplify non-negotiated Grievance procedures	Legislation and OPM regulations
23	Extend negotiated grievance and arbitration process	Legislation
24	Allow arbitrators to settle disagreements on whether particular issues may be arbitrated under an agreement	Executive Order
25	Allow arbitrators to order corrective action	Legislation
26	Shorten and simplify the discrimination complaint process	Merit Protection Board (MPB) Regulation
27	Provide handicapped and older employees procedural rights now given to other Federal employees under the Civil Rights Act of 1964	Legislation

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<u>Recommendation No.</u>	<u>Subject</u>	<u>Action</u>
28	Improve the discrimination complaint process	MPB Regulation
29	Establish a national goal for EEO in Federal service	Presidential Proclamation and Legislation
30	Assign responsibility and accountability for national EEO goal achievement to Agency heads	Executive Order
31	Integrate all bureaus and staff and regional offices of OPM to establish that Agency as a model for EEO program planning and implementation	OPM
32	Assign OMB authority to relate agency projected budgets to EEO results	Presidential Order
33	Establish Federal scholarship programs for minorities, women, and handicapped persons in occupations in which they are underrepresented	Legislation
34	Bring American Indians and Alaskan natives into the Career Service	Executive Order
35	Establish a new Government-wide Upward Mobility Program	Executive Order

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<u>Recommendation No.</u>	<u>Subject</u>	<u>Action</u>
36	Substitute budget controls for position ceiling and average grade controls	OPM Regulations and Legislation
37	Require OMB to update its contracting - out policy	OMB Directive and Presidential Directive
38	Establish work force planning in the Federal Government	Executive Order, OMB Guidance and OPM Instructions
39	Require OMB to provide positive, sustained leadership in developing and using productivity measurement and enhancement systems	Executive Order and OMB issuances
40	Authorize organizational units to retain or carry over to the next fiscal year the tangible savings resulting from good management	Executive Order
41	Amend Title VI of the Comprehensive Education and Training Act	Legislation
42	Improve planning to reduce the number of avoidable reductions in force	OMB
43	Amend the law governing RIF to limit veterans' preference	Legislation

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<u>Recommendation No.</u>	<u>Subject</u>	<u>Action</u>
44	Allow employees in a RIF situation to retire with only one percent reduction between ages 50 and 55	Legislation
45	Require agencies in RIF situations to fill vacancies with qualified employees being released or demoted	OPM Regulation
46	Establish pilot projects to test a variety of administrative management, incentive and penalty practices	Legislation and Executive Order
47	Allocate additional resources to all fields of basic and applied personnel research	OPM
48	Direct agencies to establish executive development programs which are integrated with minorities and women	Executive Order
49	Development of employees, supervisors, and managers	Presidential Memorandum and Executive Order
50	Amend Government Employees Training Act to modify requirements of formal advertising, bidding and negotiation procedures	Legislation

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<u>Recommendation No.</u>	<u>Subject</u>	<u>Action</u>
51	Require contractors to demonstrate their qualifications	OPM Directive
52	Remove current employee tax liability for expenses of training and education for new occupations and trades	Legislation
53	Amend Government Employee Training Act to permit agencies to provide training to employees facing "no fault" job loss	Legislation
54	Direct agency heads to provide training programs on public service ethics	Executive Order
55	Provide assistance to agencies in developing training programs in public service ethics	OPM Directive
56	Encourage geographic and inter-agency mobility in the Federal work force	Legislation
57	Improve systems for providing Federal employees with information about vacancies in other agencies	OPM
58	Require successful completion of a probationary period for initial appointment of a supervisor	Legislation

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<u>Recommendation No.</u>	<u>Subject</u>	<u>Action</u>
59	Require agencies to evaluate supervisors for their effectiveness in developing their employees	OPM Instructions
60	Improve the Federal performance rating system	Legislation
61	Require agencies to take corrective action against marginal employees	Legislation
62	Limit awards and benefits for exceptional or superior performance	Legislation
63	Improve the Pay Comparability System	Executive Order
64	Extend Pay Comparability Policy to include benefits	Legislation
65	Complete and test the level-of-benefits method of comparing Federal and non-Federal benefits	OPM
66	Adjust both Federal employee pay and benefits concurrently within the framework of a central decision-making process	Legislation
67	Include State and local government employees in the Federal comparability process in the same manner as the private sector	Legislation

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<u>Recommendation No.</u>	<u>Subject</u>	<u>Action</u>
68	Attain closer Federal Pay comparability with other employers	Legislation
69	Use Merit Pay to improve and reward performance of managers	Legislation
70	Enact the Federal Wage System legislative reforms which have been transmitted to Congress	Presidential endorsement
71-77	Administer the Labor Relations Program	Legislation and/or Executive Orders
78-91	Establish an Executive Service. Create a new personnel management structure for selecting, developing and managing top level Federal Executives	Legislation
92	Delegate authority to act on all matters in agencies to the fullest extent and to the lowest organizational levels practical	Agencies, by Internal Action
93	Delegate the selection and promotion of employees in regional and sub-regional positions of GS 13 and below to regional office managers	Agencies, by Internal Action
94-98	Improve Personnel practices in Agencies	Agencies, by Internal Action
99	Improve Labor-relations in Agencies	Heads of Agencies thru agreement with employee organizations

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<u>Recommendation No.</u>	<u>Subject</u>	<u>Action</u>
100	Improve the quality of working life	Legislation and Directives
101	Undertake internal departmental personnel management reviews	OPM and OMB
102-108	Federal intervention in State and Local Personnel Management	Executive Orders, Legislation, OMB and OPM Directives
109-116	Federal assistance for State and Local Personnel Management	Legislation, Directives and Executive Orders
117	Divide responsibilities and authorities for Personnel Management at the Government-wide level. Abolition of the CSC; establishment of OPM, et al.	Legislation
118	Composition of the Merit Protection Board	Legislation
119	Increase the role of the GAO in Federal personnel management as an agent of Congressional oversight	Comptroller General
120	Establish a Federal Labor Relations authority as a separate, independent Agency to administer the Federal labor-management relations program	Legislation and Executive Order
121	Transfer all functions assigned to the CSC by Title VII of the Civil Rights Act and related Executive Orders, to OPM, except resolution of discrimination complaints	Legislation

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<u>Recommendation No.</u>	<u>Subject</u>	<u>Action</u>
122	Assign "lead" agencies responsibility for developing and delivering certain training for Federal employees.	OPM Directive
123	Assign agencies a larger role in evaluating personnel management	Executive Order
124	Increase the dollar amount which agencies may grant in performance awards	Legislation
125	Reconstitute the Interagency Advisory Group (IAG) as a more autonomous structure	Executive Order

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